



Legal and Corporate Governance Department
July 26th, 2021

Approved,
General Director,
Econ. Ioan NANI

Substantiation note
on the items 1 on the agenda of the EGMS of August 26th, 2021

1. The COVID-19 pandemic caused a number of restrictions on the organization of meetings attended by a larger number of people. For this reason, during 2020, the organization of the General Meetings of Shareholders for Antibiotice S.A. was achieved with some logistical difficulties, as the Articles of Association and the Law no. 31/1990 on companies establish the obligation for shareholders to be present at the meeting and to express their votes directly.

As there is a premise that the restrictions on movement and organization of meetings attended by a large number of people to be updated in the current health context, the board of directors proposes the amendment of the Articles of Association of the company to the shareholders, by supplementing the art. 17 with a new paragraph containing clauses designed to ensure that the company has the opportunity to convene and conduct meetings of the General Meeting of Shareholders by electronic means at a distance, when necessary.

2. We attach the Articles of Association of the company to the present Substantiation Note, in the form proposed for approval, respectively the one including the art. 17 supplemented by a new paragraph with the following content:

(2) "In duly justified cases, the General Meeting of Shareholders may be held by electronic means of direct distance communication, such as teleconferencing or videoconferencing, subject to the secrecy of the vote, where appropriate, and the right to vote by mail.

Electronic means for distance communication must meet the technical conditions necessary to allow:

a) compatibility with the most common fixed or mobile access technologies, with as many operating systems as possible and connection with public fixed or mobile electronic communication networks;

b) identifying the participants and their effective participation in the meeting;

c) continuous and real-time transmission of the general meeting, recording and archiving it;

d) real-time two-way communication, so that shareholders/associates can remotely address the general meeting;

e) expressing the vote during the general meeting and recording it;

f) subsequent verification of the manner in which the vote was taken during the assembly.

The President of the Board of Directors or the Vice-President in the absence of the former, or the person empowered by one of them or by the shareholders, together with a secretary appointed according to the articles of association or, in his/her absence, a designated employee, shall draw up minutes of the meeting indicating:

a) compliance with the convening formalities;

b) the decision of the competent statutory body to convene the meeting regarding its organization by electronic means;

c) presence quorum at the opening of the meeting and when adopting each decision in the meeting, taking into account also the votes cast by correspondence;

d) debates in the assembly;

e) the decisions taken and the number of votes cast for each voting option on each item on the agenda that is put to the vote and, where applicable, the manner in which the shareholders voted on each item on the agenda;

f) acționarii care au votat contra unor hotărâri și au solicitat să se menționeze aceasta în procesul-verbal al adunării.

The President of the Board of Directors or the Vice-President in the absence of the former, or the person mandated by the shareholders will draw up and sign the decisions of the general meeting of shareholders, which will include all the items on the agenda approved in the general meeting, with handwritten or extended electronic signature."

Legal and Corporate Governance Director,
Liviu Vatavu